

Disaster Recovery Initiative
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**Louisiana Office of Community Development,
Division of Administration**

Louisiana Recovery Authority

**Proposed Action Plan Amendment Number 10
for Disaster Recovery Funds**

December 29th, 2006



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1. Long Term Community Recovery Program

Eligible Activity: Section 105 (a) (2, 3, 4, 5, 9)

National Objective: Benefit to low and moderate income persons.

Activity Amount: \$200,000,000

In addition to the direct damage they caused, Hurricanes Katrina and Rita created long-lasting problems that can only be addressed with long-term planning and implementation of projects to address these problems. These problems include damage to the economy, environment, housing stock, public safety, education, health care, and transportation, among others.

The State wishes to create the Long-Term Community Recovery Program within the Infrastructure Program, the purpose of which is to provide funding for implementation of local long-term recovery plans in the most heavily impacted areas of the state. The initial allocation of funding to this program will be \$200 million, and the distribution among the parishes will be based on an estimate of damage inflicted by Hurricanes Katrina and Rita. The basis of that damage estimate will be damage to housing stock and infrastructure, as estimated using Road Home and FEMA Public Assistance data.

Very robust planning efforts are on-going at the local, regional, and state levels to ensure wise, forward-looking investment of very limited resources. These planning efforts have provided and continue to provide guidance to our recovery effort. While these efforts are important, prioritization of projects that drive local recovery must ultimately come from the local communities.

While local priorities are critical to project selection, consistency of locally-selected projects with regional plans is also important.

Recognizing the above, projects to be funded from this program must:

1. Be selected by the local communities based on their local priorities;
2. Demonstrate broad-based support from the local community, as indicated by inclusion in a broadly accepted recovery plan, or similar mechanism;
3. Be consistent with regional and state plans, as determined by the LRA; and
4. Provide principle benefit (>50%) to low and moderate income persons.

The above requirements will ensure that issues that are a priority to the broader local community are addressed, while also ensuring that local and regional plans are complementary.

Each project funded will meet the Benefit to Low and Moderate Income Persons national objective.

This activity is considered to be a low risk activity. Monitoring will be performed by the Office of Community Development staff in accordance with the original Local Government Emergency Infrastructure Program monitoring plan.

2. Private Non-Profit Infrastructure Program

Eligible Activity: Section 105 (a) (2) and §570.200 (j) Faith Based Activities

National Objective: Benefit to Low and Moderate Income Persons, or elimination of slums and blight, or urgent need.

Activity Amount: \$40,000,000

Certain private non-profit (PNP) organizations are eligible for FEMA Public Assistance, including many private non-profit (PNP) schools and universities. Louisiana's PNP schools and universities suffered over \$500 million of damage due to the hurricanes, and recovery of schools is of vital importance to the recovery of the state.

The State wishes to create the Private Non-Profit Infrastructure Program within the Infrastructure Program, the purpose of which is to provide the non-federal match for FEMA PA funds paid to eligible private non-profit K-12 schools and universities. The state wishes to fund this program with \$40 million from the Infrastructure allocation. All applications for expenditures from this program must be received prior to April 30, 2007. If, upon this date, the program is oversubscribed, all grants will be pro-rated by a percentage of the request that equals Program Budget (\$40M) divided by total eligible Program Applications.

Expenditures from the Private Non-Profit Infrastructure Program must meet the following guidelines:

1. Funding is provided as a match for FEMA Public Assistance grants only;
2. That the funding to be provided is for cases of critical needs. (To be determined by the State);
3. That the funding be provided to parishes which have adopted the latest available base flood elevations of the FEMA Flood Recovery Guidance unless exceptions are granted by the LRA based on reasonable alternatives where safety is not minimized;
4. That the funding be provided to parishes or communities which have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in the 2005 1st Extraordinary Session of the Louisiana Legislature;
5. That the projects receiving funding follow the best design for delivery of services in light of the population shifts and changed circumstances of many Louisiana communities;
6. That a project demonstrate that it is the most efficient and cost effective way to rebuild the infrastructure, or that the applicant has considered alternate methods of rebuilding to achieve the greatest efficiency of the infrastructure to serve the local as well as regional needs of the community as a result of the Public Assistance repairs or reconstruction; and
7. That each infrastructure project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes.

It is important to note that many PNP schools and universities are affiliated with religion-based organizations, many activities of which are not eligible for CDBG funding. This funding is to be provided only for those activities that are allowable under HUD and CDBG laws and rules. Each project funded will meet one of the three national objectives. Until applications are received and service areas and beneficiaries are known, the specific national objective cannot be determined. This activity will be carried out by carefully following the CDBG Regulations at § 570.200 (j) Faith Based Activities.

This activity is considered to be a low risk activity. Monitoring will be performed by the Office of Community Development staff in accordance with the original Local Government Emergency Infrastructure Program monitoring plan.

3. Local Government Emergency Infrastructure Program

Eligible Activity:	Section 105 (a) (2) and (9)
National Objective:	Low and moderate income benefit
Activity Amount:	\$100,000,000

The State wishes to amend the Local Government Emergency Infrastructure Activity, which was previously described in the State's first action plan, and was amended in the second action plan amendment. \$95 million was initially set aside for the Local Government Emergency Infrastructure activity, and \$500 million was added to the program as a result of the second amendment to the action plan to cover additional local match for FEMA Public Assistance (PA) grants in categories C-G. Since June 30, 2006 many local governments have been responsible for the local match on FEMA Category A PA, and all local governments have been responsible for the local match on FEMA Category B PA.

As a result of the hurricanes, the USDA, through its Natural Resources Conservation Service, was tasked with removing hurricane debris from drainage features in rural areas of the state. Between August 29, 2005 and February, 2006, the program required a 25% non-federal match for all work.

Because of the economic impacts of Hurricanes Katrina and Rita, most local government entities do not have the financial capacity to pay these match costs. The State requests that an additional \$100 million be allocated to this activity to cover the non-federal match requirements for FEMA PA in Categories A and B.

Expenditures from the program for match of NRCS expenditures and FEMA's Categories A and B PA grants must meet the following guidelines:

1. Funding is provided as a match for projects eligible for FEMA Public Assistance or NRCS Drain clearing program;
2. That the funding be provided to parishes which have adopted the latest available base flood elevations of the FEMA Flood Recovery Guidance unless exceptions are granted by the LRA based on reasonable alternatives where safety is not minimized;
3. That the funding be provided to parishes or communities which have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in the 2005 1st Extraordinary Session of the Louisiana Legislature;

As stated in the initial action plan, each project funded will meet one of the three national objectives. Until applications are received and service areas and beneficiaries are known, the specific national objective cannot be determined.

This activity is considered to be a low risk activity. Monitoring will be performed by the Office of Community Development staff in accordance with the Infrastructure Monitoring Plan.